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BUSINESS OPPORTUNITIES

in

Ivory Coast

Dahomey

Togo

Niger

Upper Volta

Senegal

Mauritania

Mali

"The Formula Is Simple"

"These relatively untapped markets offer a challenge to the U. S. export fraternity. Success ... will require no techniques that are not already known to successful American exporters ... The same study and planning and thought should go into this West African area as would be applied to the introduction of a new product in any region in the U. S. A. The formula is simple—all that is needed is the will and the implementation."



REPORT OF THE 93rd



U.S. DEPARTMENT OF COMMERCE

TRADE MISSION

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MISSION PERSONNEL

The members of the 93rd U. S. Department of Commerce Trade Mission, which visited eight new West African Republics from April 22 to June 10, 1961, were—

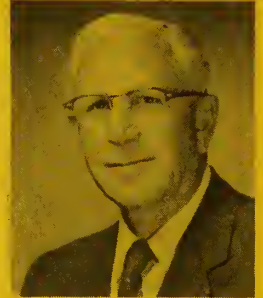


PATTEN D. ALLEN, Mission Director

Special Assistant to the Director of the Bureau of Foreign Commerce, U. S. Department of Commerce, Washington, D. C. Mr. Allen, a Foreign Service Officer on detail to the Department of Commerce, has over 15 years of experience in Europe and the Far East as a Commercial Attache and in other capacities. Before his Foreign Service duty he was engaged in advertising and insurance.

MARVIN S. ALLYN

Farmer cooperatives, poultry and farming. Until recently Mr. Allyn was Secretary-Treasurer of the Western Farmers Association, of Seattle, Washington. This is a cooperative marketing organization with annual sales exceeding \$50 million annually. He was in charge of its finances, investment, and legal problems. He is also experienced in the cooperative procurement of feed, fertilizers, seeds, petroleum-farm production supplies, in poultry breeding, and in the cultivation and marketing of livestock, hay and other farm products.



IRVING J. FAIN

International trade, manufacture of consumer goods. Mr. Fain, Director of Apex Tire and Rubber Co., Pawtucket, Rhode Island, and several other companies, is experienced both in the operation and management of plants producing consumer goods, especially textiles, rubber, chemical products; he is also an authority on the foreign trade of these products and others, and has traveled extensively abroad.

C. W. MILLER

Consumer goods, marketing and distribution. Until recently Mr. Miller was in charge of operations of Sears, Roebuck & Co. in San Antonio, Texas. He has had almost 30 years of experience in merchandising and distribution with the company. Currently he operates his own office as a business consultant in Texas.



CAPTAIN LAWRENCE ARTHUR RENEHAN

Shipping and tropical products. Captain Renehan is Manager of Trade Development of Farrell Steamship Lines, New York, having organized and developed the Division. He has conducted various economic surveys from Dakar to Angola on the coast of West Africa and is experienced in the production and trade of West Africa's principal exports. He has been commanding officer of various Farrell ships engaged in African trade.

DR. ALBERT C. STEWART

Industrial and products development, chemicals, consumer goods, atomic energy. Dr. Stewart is Assistant Research Director of the Union Carbide Consumer Products Co., Union Carbide Corp., Cleveland, Ohio. He is an authority on the development of new products through research in chemistry, and is a consultant to various U. S. Government agencies and to private enterprise on advancements in chemistry and atomic energy.



BUSINESS OPPORTUNITIES

in

Ivory Coast

Dahomey

Togo

Niger

Upper Volta

Senegal

Mauritania

Mali

A Businessmen's On-The-Spot Report to Businessmen

Exports • Imports • Investments • Potentials

July 1961

U.S. DEPARTMENT OF COMMERCE

Luther H. Hodges, Secretary

Rowland Burnstan, Assistant Secretary for International Affairs

BUREAU OF FOREIGN COMMERCE

Loring K. Macy, Director

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SUMMARY

West Africa as a Market

VOLUME: Total population of eight countries covered about 20 million, of which the rural population ranged from 85 to 95 percent. In the Ivory Coast, for example, the market for luxury and relatively non-essential goods is estimated at about that of an American city of 50,000, although the population is 3.1 million.

BEST TARGET: Exporters who think in terms of mass distribution should focus on the relatively restricted list of commodities now in demand among the general (largely rural) population, which will grow rapidly. European population totals some 75,000-80,000.

COMPETITION: These countries became independent in 1960. Businessmen and officials of many nations are trying to establish markets there.

CONDITIONS OF TRADE: Foreign exchange regulations being liberalized, but these countries

are still members of the Franc Zone. Imports from outside France recently placed on more competitive base by providing global quotas of foreign exchange. All countries apply both customs duties and revenue taxes to their imports, but these are levied uniformly on all countries, except that French imports pay only taxes, not custom duties.

FUTURE DEVELOPMENT: All these countries are eager for economic independence, which implies world-wide commercial relations. They are planning for economic development. Foreign aid is flowing into the area. They want to "Africanize" their trade, which means they are diluting the commercial importance of the large established export-import houses. The transcending consideration, however, is psychological: these countries are on the move; they want progress and change in a hurry.

These Countries Export These Products

Product	Ivory Coast	Dahomey	Togo	Niger	Upper Volta	Senegal	Mauritania	Mali	Product	Ivory Coast	Dahomey	Togo	Niger	Upper Volta	Senegal	Mauritania	Mali
Bananas.....	x								Livestock.....				x	x			
Cocoa.....	x		x						Lumber (hardwoods)..	x							
Cassava.....									Manganese.....	x							
Coffee.....	x	x	x						Palm products.....	x	x	x					
Cotton.....					x				Peanuts and								
Diamonds, industrial	x								products.....				x	x	x		x
Fish.....					x				Potatoes.....								
Fruits (tropical)...									Rice.....								
Hides and skins.....				x					Rubber.....	x							

(For additional information, see country-by-country details)

These Countries Showed Interest in These Products

Product	Ivory Coast	Dahomey	Togo	Niger	Upper Volta	Senegal	Mauritania	Mali
Air conditioners, refrigerators.....	x	x		x	x	x		
Axes, machetes.....	x							
Beer.....	x	x	x	x	x			
Canned meats, fruits, vegetables.....	x	x		x		x		
Caustic soda.....	x							
Construction materials, cement.....	x	x	x	x				x
Electrical equipment.....					x			
Farm equipment, implements (small).....		x						
Fertilizers.....	x				x			
Flour.....	x	x	x	x				
Housewares, cooking implements.....	x	x	x		x			
Insecticides.....					x	x	x	x
Lanterns, flashlights, batteries.....	x							
Leaf tobacco, cigarettes.....		x		x				x
Low-cost fabrics, used clothing.....	x	x	x			x	x	x
Machine, hand tools.....					x			
Milk, powdered, concentrated.....		x	x	x			x	x
Paints, pigments.....	x				x	x		x
Peanut processing equipment.....				x		x		
Pens, pencils, stationery.....							x	
Pharmaceuticals.....			x		x		x	x
Radios.....		x			x	x	x	
Rice, oats, barley, wheat.....							x	x
Road building, construction equipment.....	x		x		x			x
Sewing machines.....		x					x	
Soap.....	x			x				x
Tallow.....	x							
Tractors.....					x		x	
Trucks, tires, accessories.....	x	x		x	x	x	x	
Veterinary medicines.....							x	
Whisky.....					x			

(For additional information, see country-by-country details)

THE MARKET FOR U.S. GOODS AND CAPITAL

EXPORT OPPORTUNITIES

The relatively untapped markets of West African nations offer a challenge to the U. S. export fraternity. This challenge is similar to and no more difficult than the challenge to European industry when it attempts to enter such traditional U. S. markets as Canada, Venezuela, Haiti, Philippines. Success in these markets will require techniques that are not already well known to successful American exporters. There must be the usual study of market tastes and competitive offerings. There must be assured effectiveness in correspondence. There must be good support of mechanical products with information and parts. Equipment must be suited to local conditions—e.g., electric current. Markings and instructions must be in French. In other words, the same study and planning and thought should go into this West African area as would be applied to the introduction of a new product in any region in the United States. The formula is simple—all that is needed is the will and the implementation.

Change Brings Opportunity

Significant changes have taken place recently that give the American exporter an opportunity to build markets for his products in the new West African countries.

Since World War II Metropolitan France supplied more than 70 percent of the markets in these new countries for a number of compelling reasons:

- They were formerly dependencies of France (except Togo, a UN trusteeship to France). Economically, they were close to the Metropole.
- Psychologically, the orientation was toward France for many reasons, including French administration, French language and culture, education by French teachers, and of the well-to-do African in French universities.
- Import tariffs not applicable to France were applicable to other foreign goods.
- Ocean freight services from France were more efficient because of the steadier volume of shipments.
- Allocations of foreign exchange had a limiting effect on imports from other sources in West Africa, as they had until recently in Metropolitan France.
- France supported the principal export products with a guaranteed market, usually at prices well above world prices.
- France provided substantial financial and technical aid, and supported the budgets of most of these countries.

• Most of the import-export trade was in the hands of a few well-established firms, most of them French. Although several have buying-selling offices in New York, their general orientation is toward France.

U. S. products in these markets are conspicuously few. Sales effort by U. S. suppliers has been almost non-existent. This does not necessarily imply derogation of U. S. exporters, since a survey would have quickly revealed the reasons just mentioned as militating against easy penetration of French West Africa for most U. S. products.

Why is the situation different now? This question may well be posed by alert U. S. suppliers. How has it changed so as to offer more hopeful possibilities for U. S. goods? There are several factors.

- These eight countries have all achieved political independence.
- They are also anxious to accomplish economic independence, which implies to them the broadening of their world-wide commercial relations.
- They strongly desire and are planning for economic development, which will bring both larger total demand and a demand for new types of imports.
- Foreign exchange procedures are being liberalized, and will probably become more liberal. Furthermore, some of these countries are going to earn more foreign exchange very soon: e.g., from phosphates in Lome and iron ore in Mauritania.
- Foreign aid is now coming from other sources as well as from France. Such aid will probably be "tied" to imports from certain outside countries, as is the aid of the International Cooperation Administration (ICA) and the United States, which is just beginning.
- The foreign trade of these new countries will be influenced by world trends toward trade liberalization, especially through the General Agreement on Tariffs and Trade (GATT) and the European Common Market. Steps are already being taken to extend import preferences to the other Common Market nations.
- There are strong pressures throughout the region (although the intensity varies by countries) to dilute the commercial importance of the few large established export-import houses, and to "Africanize" commerce. This move will open new channels of distribution, and will turn commercial eyes toward new sources of supply.
- The transcending consideration is psychological. These countries are on the move. These governments and the more highly educated people want progress and change—and fast.

THE MARKET: Export Opportunities

Consumer Goods—A Dual Market

This population of over almost 20 million is composed of two markets: (1) the sophisticated market for European-type goods for the tiny "European" population and the Africans who are Europeanized; (2) the mass market for the Africans whose money income is small and whose money purchases are few. In both cases, the variety of goods offered is more limited than in the United States, and prices are considerably higher because of transport, taxes, and the conditions of distribution.

For the Europeans in Africa there are packaged foodstuffs (including luxuries), clothing, automobiles, electric appliances and air-conditioners, toilet soap and toiletries, stationery, and many other accoutrements of modern civilization.

For the African mass market, there are, above all, textiles of many varieties, especially cotton prints (both roll and block)—from France, the Netherlands, England, and other sources. Foodstuffs include canned milk, sugar, salt, flour, canned sardines. There are also lanterns, candles, flashlights, simple tools, cheap toiletries, used clothing, dyestuffs, plastic footwear.

U. S. fabrics are not among the textiles sold, and no discernible efforts are being made to develop or to explore the market. The Mission is not in a position to appraise the price competitiveness or the market acceptance of any U. S. fabrics, but must report that it has found no evidence that U. S. producers have made such an effort.

The same absence of U. S. goods exists in foodstuffs and toiletries (though some U. S. brands are seen), nor is there the variety of goods regularly available in the United States. The comments regarding possible sales for U. S. textiles probably apply here.

U. S. unit air-conditioners are commonly used and desired. U. S. large appliances are less commonly used but equally desired. Predominance of U. S. products in these fields is being lessened by a combination of factors: introduction of improved French models; lack of proper attention to requirements of this market by U. S. suppliers (e.g. machines marked in English only, with instructions in English only, motors with unsuitable electrical characteristics).

U. S. passenger autos have lost ground because of several factors: larger size, higher price, higher gasoline consumption, inadaptability to road conditions, delayed parts supply, and frequent model changes involving both costly parts-stocking and unavailability of parts at time of breakdown. Although the number of U. S. cars is small and unlikely to increase greatly under existing conditions, there is need for an alert U. S. supplier of replacement parts.

Producer Goods

U. S. construction equipment and trucks are known in these markets. In recent years, French and

more recently German trucks have been replacing American. This is especially true of diesel units. An important factor is the parts situation, complicated by frequent model changes of U. S. trucks, resulting in obsolescence, high parts inventory, difficulty of maintaining proper stocks. This has disaffected both distributors and users. The Mali Government has made an arrangement with Krupp to obtain 325 German trucks, apparently without taking into account the possibility that U. S. trucks might have better served their purposes.

Certain well-known brands of U. S. construction equipment are well and favorably known. The market for construction and industrial machinery should expand rapidly and greatly with programs of economic development. One program envisages the preparation of domestic products; e.g. fish processing, food canning, salt production, mining. Another calls for the production, on a relatively small scale, of such items as clothing, footwear, and soap, to meet the needs of the local market.

These programs will entail a wide variety of industrial equipment. Each project will undoubtedly become known to the U. S. Embassies concerned and will be publicized.

Agricultural Equipment

Most of the agriculture in these countries is small-scale, using little farm equipment. The governments are aware of the value of farm mechanization, and are taking steps to promote the use of power equipment. This will automatically open up a new market potential for European and American manufacturers. In Senegal, the government is fostering the establishment of a privately owned plant to assemble some equipment, which will then be distributed to farm groups on credit. This developing market deserves the close attention of U. S. manufacturers.

Chemical Products

The principal chemical products sold in West Africa include finished products such as cosmetics, soaps and detergents, paints and lacquers, and drugs and pharmaceuticals. The use of agricultural chemicals—fungicides, insecticides, and fertilizers—is increasing but the market for industrial chemical products is small and consists of a few basic products such as solvents (e.g. methanol and ethanol), and plasticizers. Considerable interest has been exhibited in some countries in obtaining additional calcium carbide for the production of acetylene. Practically all of these materials are imported through large French companies such as CFAO, (Compagnie Francaise d' Afrique Occidentale) and SGOA, (Societe Commerciale de l'Ouest Africain). These are distributing companies which do not employ technical staffs and which usually import French products, although they have buying offices in New York. The American brands which are sold

are generally those produced in France under license.

Transportation Equipment

The finest record crop of any commodity is of no value if it cannot be transported to market. It is in the transport industry, therefore, that the African businessman is making one of his greatest commercial advancements. The Mission met with the officers of Syndicates of African Transporters in Ivory Coast, Togo, Niger, Upper Volta and Senegal. These groups represent individual African truck, bus and taxi owners. Some of these syndicates have as many as 700 trucks in the group. Their problems are many and complex. Inadequate roads are the primary cause of their troubles, entailing high operating costs. Financing the purchase of new vehicles is burdened by high interest rates. The need for heavy road transport appears to exceed the capacity in each country visited. The curtailment for political reasons of the Dakar-Niger Railroad (running between Dakar and Bamako) has created a serious overload on the port of Abidjan and on the Abidjan-Niger Railroad (running between Abidjan and Ouagadougou).

Highway transport in West Africa is indeed a growth industry. The hinterlands are developing, more produce is being shipped to market, and there is an increased demand for building materials, petroleum products, and consumer goods. Existing railroads are not extensive and the cost of construction of new lines will remain so high that very few new railroad projects are even under consideration. As the conditions of trade between the United States and the countries visited become liberalized, a most important area of development will be in trucks, buses, tires, parts, accessories, and tire recapping. There will be an excellent opportunity for the sale of 10-, 18- and 20-ton trucks, properly suited to the heat, seasonal rains, and punishing road conditions.

OPPORTUNITIES FOR U.S. PRIVATE INVESTMENT

In the West African nations visited by the Mission private investment by U. S. firms in many fields is sought after and will be welcomed. All except Mali have recently enacted or drafted investment codes which aim to encourage foreign private investment. As explained to the Mission, these investment codes seem to have been modeled along similar general lines with the same objectives in mind.

Tax Advantages

The several codes provide long-term tax incentives and other fiscal advantages for new businesses in areas considered "vital" (agriculture, power, canning, etc.)

Other Advantages

Certain types of large agricultural projects, such as plantation developments, can get contracts through direct negotiations that seem attractive. Here, after a number of years of operation, and after stipulated improvements have been made, clear title to the property will be given without further cost. This is the practice in Ivory Coast, Togo, and Dahomey for pineapple and palm nut plantations. This is also true of certain types of factory locations when the government considers the activity beneficial to the economic growth and development of the country.

Specific Opportunities for Investment

Investment from overseas is a fundamental requirement of the development plans of each of the countries visited by the Mission. The industrialization programs of Ivory Coast and Senegal are more advanced than those of Dahomey and Togo, while Niger, Upper Volta, and Mali have only rudimentary indications of industrial possibilities.

Exploitation of natural resources presents the first opportunity for investment: processing of phosphates in Togo and Senegal, iron and copper mining in Mauritania, petroleum exploration in Mali, and the fishing industries of Senegal, Ivory Coast, and Togo should, for example, be of interest to American investors. In addition, the construction of apartment houses, hotels, and housing units offers promising possibilities in the capital cities of Dakar and Abidjan, which now have a housing shortage. One government official estimated that for 8 months of the year Dakar has a daily hotel shortage of 150 rooms. Another Senegalese government official indicated a desire to develop communications industries: motion picture production, assembly of transistor radios, and manufacture of phonograph records.

There are several substantial processing industries in Senegal and Ivory Coast, but throughout the balance of the area under consideration, only a few small-scale operations can be found, and these are chiefly oil extraction, soap manufacture, beverages, power plants, and cotton gins.

Representatives of some large French companies expressed an interest in starting small industries in local communities but seemed to prefer extending their agreements with known French firms to include receiving technological aid rather than establishing new connections. They did not discuss the details of their plans and, consequently, we cannot estimate this potential market for machinery and supplies. These firms will not require outside financing for their new ventures.

European owners of small firms were interested in establishing new connections for the purchase of equipment, for technological aid, and for financing operations. However, they were generally somewhat pessimistic about the prospects for operating profitable local industries. Thus, with a few ex-

THE MARKET: Investment Opportunities

ceptions, they were also cautious about discussing concrete proposals.

Africans were enthusiastic about the prospects of establishing small industries but admittedly had little business or technological experience. They hoped that American firms would supply capital, technology, and training for complete staffs. In the Ivory Coast and Dahomey, Africans had organized syndicates or cooperatives with government administrative technical and financial aid, and they expressed the keenest interest in starting small industries.

Political Considerations

The Mission assumes that a careful examination of the political and economic situation in any underdeveloped country will be undertaken routinely before any investment of U. S. capital is made. Each of the countries under consideration here is new as an independent nation. Each has been subsidized by France in one or more ways. While feeling their way in the establishment of governmental philosophies and programs there are strong pressures to accelerate economic development as outlined in the respective government plans. Since these several plans are all in their early stages, there may be changes in method and in substance during the period just ahead.

Some of the businessmen in Senegal, as well as in several of the other countries, join with government officials in urging that the large nations of the world, such as the United States, England, France, Germany, form an international joint guarantee fund. This fund would guarantee new private investments made in the underdeveloped

nations of the world against loss from nationalization, forced Government bond purchases, or confiscatory taxes. They feel that such a fund is necessary to assure a wholesome flow of new private investments to this area.

Summary

The Mission makes the following observations to the American businessman:

TAKE an active and noticeable interest in the area by making the preliminary moderate investment of sending technically competent representatives to discuss needs of governments and possibilities of exports and private ventures.

SUBMIT bids on equipment and materials for infrastructure projects.

CONSIDER making surveys of mineral resources and feasibility of major projects for validation of agricultural (and seafood) resources.

STUDY means of more efficient and economical road transport.

CONSIDER establishing one or two branch banks in the area.

APPOINT agents to promote their products and inform them on market needs, even though volume of business may be low at the outset.

PROVIDE French translations of essential parts of instructions for U. S. equipment being sold in the areas.

MAKE replacement parts and accessories readily available for equipment sold in area.

COUNTRY DETAILS

IVORY COAST

MAIN CITIES: Abidjan: 155,000.
Bouake: 40,000.

AREA: 124,500 square miles.

POPULATION: 3.1 million (estimated); including 15,000 Europeans.

CHILDREN IN SCHOOLS: 173,000.

PRINCIPAL SUBSISTENCE CROPS: Yams, cassava; fishing 35,000 metric tons per year.

PRINCIPAL EXPORTS: Coffee, cocoa, lumber, bananas (total 93.8 percent of exports) manganese, industrial diamonds, (important future export crop: rubber).

FOREIGN TRADE 1959: Exports \$137 million; imports \$114.5 million; U. S. share of imports: 3.8 percent; ocean freight handled 1.4 million metric tons (including some from Mali, Niger, Upper Volta).

INDUSTRY: Four oil extraction plants, two soap factories, six coffee and cocoa processing plants, one industrial bakery, two breweries, saw mills, textile mill, tobacco factory, instant coffee plant, pineapple and fruit juice canneries, liquid air and acetylene plant, plastic footwear factory.

TRANSPORTATION (1960): Railways, 373 miles; roads, 6,700 miles; trails, 10,500 miles, motor vehicles, 27,400.

Special Import Interests

The Mission found positive interest in the following products in which U. S. exports might compete: fertilizers, calcium carbide, caustic soda, tallow, paints, soap; unbleached cretonne, percale, drill, poplin, ticking, gingham checks, wax prints; used clothing, inexpensive women's wearing apparel and lingerie; flour, corned beef, concentrated milk, salt, biscuits, candy, jams, canned fruit and vegetables, beer; plastic and enamel housewares, gasoline lighting and cooking implements, lanterns, flash lamps and batteries, axes, machetes, galvanized graters and buckets, inexpensive razor blades, cement, steel cables, sheet iron; air conditioners, refrigerators, inexpensive cameras; equipment: building, excavating, road building, water well drilling, trucks and parts, tires, coconut graters and slicers.

General Characteristics

The Mission found an atmosphere of confidence in prospects for economic progress. There are relatively solid grounds for this point of view. As the main outlet for overseas trade of four Entente states, and with the traffic of Mali diverted from Dakar, the recently improved port of Abidjan is operating efficiently at full 24-hour capacity and is soon to be enlarged. In and around the city many impressive government buildings, a university, additional modern hotels and attractive private homes, as well as workers' housing projects are under construction. The country's main exports of coffee, cocoa, hardwoods, and bananas have been steadily rising, not only to the subsidized French market but (except bananas) to other foreign markets including the United States and will soon be supplemented by exports of rubber, other tropical fruits and palm kernels or oil.

The government has well-advanced plans for economic development, contemplating both improved agricultural productivity and expansion of industries. The majority of the people, living on the country, are admittedly under-employed and there are unused fertile areas which could produce supplementary crops once markets are established. Farm income is also expected to benefit from a government-sponsored agricultural co-operative plan for marketing coffee. To encourage private investment in construction and new industries, an investment code has been developed which provides for waiver of taxes during the early years and other advantages. The new industries expected to attract foreign interest are fertilizer manufacture, fishing and fish canning, assembly of trucks, plastic footwear.

The country has a very considerable number of graduates of European schools of higher learning; there are now at least 1,200 in French universities. It is, therefore, in a relatively strong position to develop its administrative services and to expand the participation of Ivory Coast citizens in its industry and foreign commerce. The rate of progress will be affected by the degree of economic cooperation maintained with neighboring countries, the proportion of educated Africans interested in industrial and commercial careers, and the ability to develop local accumulation of capital, as well as the maintenance of a climate inviting to foreign governments and private capital support.

COUNTRY DETAILS: Dahomey—Togo

DAHOMAY

MAIN CITIES: Cotonou: 70,000.
Porto Novo: 35,000.

AREA: 44,700 square miles.

POPULATION: 1.7 million (estimated). (Including about 3,000 Europeans.

CHILDREN IN SCHOOLS: 93,000 (1959).

PRINCIPAL SUBSISTENCE CROPS: Cassava, yams, corn; fishing, over 10,000 metric tons per year.

PRINCIPAL EXPORTS: Palm kernels and palm oil (73.5 percent of exports), coffee.

FOREIGN TRADE 1959: Exports \$9.7 million; imports \$16 million; ocean freight handled (including some for inland countries): 265,000 metric tons—U. S. share of imports negligible.

INDUSTRY: Four oil extraction plants, two soap factories, cotton gins, granite quarry, liquid air and acetylene factory.

TRANSPORTATION: Railways, 371 miles; roads and trails: 3,231 miles.

Special Import Interests

Textiles, (cotton prints, percale, drill, twill, synthetics, hats, notions, used clothing, gloves, scarves), eye glasses, flour, rice, biscuits, candy, corned beef, cheese, canned butter, concentrated or powdered milk, preserved fruit, salt, cigarettes, leaf tobacco, beer, photographic equipment, toys, sewing machines, radios, bedding, housewares, refrigerators, air conditioners, small agricultural implements, farm equipment, hand operated grinders, cement, construction materials, iron sheets and strip, sanitary ware, equipment roadbuilding, construction, electrical, trucks and parts).

General Characteristics

This is a small and undeveloped country, with two-thirds of its cash economy based on export earnings from palm products. The people subsist on a diet of manioc, yams, and tropical fruits. The potentialities for progress, however, are relatively impressive if extensive external aid can be obtained.

Geographically and politically speaking, the port of Cotonou is one of the logical links with the outside world for two of the landlocked members of the Entente, Upper Volta and Niger, whose trade would plausibly grow rapidly once overland transport costs are brought within bounds. A French project is already afoot to build docks for more efficient cargo-handling. A railroad now reaches only half-way to the Niger frontier, the work on it having been discontinued some time

ago. If this line is completed to a point within Niger, the resources of the interior will acquire more commercial interest. This possibility is being studied by the Common Market's development fund.

The soil of the coastal region of the country is basically fertile, and not confined to palm oil culture by any natural limitations. Peanuts, cashew nuts, cocoa, coconuts, shea nuts, castor beans, pimento, coffee, cotton, and the whole gamut of tropical fruits are produced in this region. Lacking outlets and economical transport, a large proportion of the fruits go to waste. More systematic farming and marketing and plants for the conservation of fruits will lead to diversification of exports and internal market development. The immediate needs are for agricultural technical assistance, improvements of internal communications, and private investments in canning factories (and possibly in plantations) and in processing (e.g. extraction of carotene).

This country has the highest proportion of relatively educated people in French-speaking West Africa. Dahomey has supplied civil service personnel to many other African countries, 30,000 of whom have been sent home (12,000 from Ivory Coast) in the current wave of nationalism. It is therefore probable that economic development projects requiring manpower susceptible to training by modern methods could proceed fairly rapidly. Some of the leaders are closely studying the experience of Israel, but the resemblance should not be exaggerated because the head-start of the Dahomian literate sector is not in the fields of scientific agriculture or modern industry.

Although inevitably of minor proportions, the potential of foreign exchange earnings from tourism also deserves consideration. Picturesque scenes, relics of the blood-curdling Benin Kingdom, villages in the water, and colorful dances could be exploited for a select market of those who can afford vacation trips of several thousand miles.

TOGO

MAIN CITIES: Lome: 78,000.
Sokode: 14,700.

AREA: 21,900 square miles.

POPULATION: 1.2 million (about 1,300 Europeans).

CHILDREN IN SCHOOLS: 89,000.

PRINCIPAL SUBSISTENCE CROPS: Yams, cassava, corn, millet and sorghum.

PRINCIPAL EXPORTS: Coffee, cocoa, palm kernels.

MINERALS: Phosphates.

FOREIGN TRADE 1959: Exports \$17.6 million; imports \$15.2 million—U. S. share of imports negligible.

INDUSTRY: One tapioca mill, four cotton gins, four kapok gins, two oil extraction factories, two soap factories.

TRANSPORTATION: Railways, 308 miles; roads 855 miles; trails 2,000 miles.

Special Import Interests

Pharmaceuticals, fabrics, shirts and knitwear, used clothing, rice, flour, biscuits, beer, salt, housewares (galvanized and enamelware), cigarettes, cameras, typewriters, cement, building materials, aluminum tubing, steel tubing, sewage treatment equipment; woodworking machinery, nailing machines, pineapple processing equipment, manioc processing equipment; rock crushing equipment.

General Characteristics

This small coastal country differs from the other countries in French-speaking West Africa in several important respects. Togoland was a German colony before World War I, after which the United Kingdom and France were given a joint mandate over the territory by the League of Nations. Following World War II, it was a U. N. Trust Territory under these same two countries. The part of Togo which had been under British supervision was included in the new state of Ghana in 1957. This historical background has led to seeking more diversified sources of aid and a reluctance to be bound economically to any of the neighboring countries or to any single European power.

Aid and technical assistance programs now active in Togo include those of France, the U. N., Germany, Israel, the United States, and the Common Market. Yugoslavia is undertaking a hydroelectric project of limited capacity on long-term credit. The two major hydroelectric projects are in abeyance, one because it would serve Togo and Dahomey jointly, and the other because it would make Togo unduly dependent on Ghana. Improved agricultural productivity depends largely on these projects (because sections of Togo lack water part of the year) and the feasibility of industrial projects will be greatly advanced by lower-cost electricity and improved transport. The government is also planning to develop an efficient port at Lome.

Exploitation of extensive phosphate deposits is already under way, and export of phosphate to Europe is scheduled to begin in a few months.

Current suggestions for potentially profitable industrial developments include sugar refining, sisal bags, brick and tiles (which were made here in the past), salt from sea-water, modern slaughterhouse and meat processing, fish canning, soluble

coffee, and plastic goods. Exploration for minerals may also deserve consideration of foreign capital.

NIGER

MAIN CITIES: Niamey: 30,000.
Zinder: 15,000.

AREA: 459,000 square miles.

POPULATION: 2.6 million (estimated including 3,000 Europeans).

CHILDREN IN SCHOOLS: 22,200.

PRINCIPAL SUBSISTENCE CROPS: Millet, sorghum, cassava, livestock 11 million including 350,000 camels.

PRINCIPAL EXPORTS: Peanuts, livestock, hides and skins.

FOREIGN TRADE 1959: Exports \$11.5 million; imports \$7.2 million (large volume of unofficial trade across Nigeria's border unrecorded)—U. S. share of imports negligible.

INDUSTRY: Three oil extraction plants, one soft drink factory, one cotton gin.

TRANSPORTATION: Roads and trails: 3,542 miles.

Special Import Interests

Flour, concentrated milk, rice, cigarettes, soap, canned vegetables, beer, air conditioners, refrigerators, humidifiers, cement, building materials, steel, aluminum, sanitary ware, construction equipment, electrical equipment, water pumps (diesel motors), peanut processing equipment, trucks, batteries, tires.

General Characteristics

Before World War II, this country (like the other landlocked areas in French-speaking West Africa) received less economic survey and development attention from the French colonial administration than the coastal areas for obvious reasons: later conquest, high-cost transport, less attractive export potential, partly nomadic populations, water shortages. About 95 percent of its population is engaged primarily in subsistence farming and herding. The principal wealth is in animals. Recorded exports are peanuts to France (85 percent), considerable amounts of goatskins to the United States and nominal amount of wolfram to the United Kingdom. In addition, unknown quantities of exports of animals, millet and other vegetables drift into Nigeria and of imports of textiles (largely of oriental origin) pass in from Nigeria, causing a drain of currency difficult to control over a vast boundary straddled by the same tribes.

COUNTRY DETAILS: Niger—Upper Volta

The basis of Niger's export market is the ripening of its crop one month ahead of the Senegal crop. Since shipping through Nigeria by rail was abandoned in 1953, 30,000 tons have to be hauled into Dahomey by truck (Operation Swallow) between the harvest and the commencement of the rainy season. The situation will be immeasurably improved if the Common Market extends the Dahomey railroad to Dosso, Niger.

The country's industries now consist of a generating plant, some small bottling works, a cotton gin, and three peanut-crushing mills whose products are marketable only locally. The government hopes to develop a modern abattoir and meat-packing industry and to localize diseased areas so as to make possible overseas exports of meat, in addition to supplying neighboring peoples deficient in meat. Efficient peanut oil manufacture is also of potential commercial interest, to reduce the volume transported by 70 percent. A brick and tile industry could utilize known deposits of kaolin and there are hopes of other minerals, such as iron and copper.

The presence of the great Niger River offers possibilities of developing more diversified agriculture production, at least for domestic market growth, if not for export. By rudimentary irrigation, the sandy soil on the bank near Niamey is now growing, on one experimental farm, mangoes, papaya, bananas, oranges, grapefruit, pineapple and healthy Rhode Island hens. A substantial rice production probably would have assured outlets in the region, as most of the neighboring countries are rice importers.

UPPER VOLTA

MAIN CITIES: Ouagadougou: 63,000.
Bobo-Dioulasso: 45,000.

AREA: 105,900 square miles.

POPULATION: 3.7 million (estimated including 6,000 Europeans).

CHILDREN IN SCHOOLS: 54,000.

PRINCIPAL SUBSISTENCE CROPS: Sorghum, millet, rice, cassava, livestock 4.4 million.

PRINCIPAL EXPORTS: Livestock, fish, cotton, peanuts.

FOREIGN TRADE 1959: Exports \$4.5 million; imports \$8.4 million (large volume of unofficial trade across Ghana's border unrecorded).

INDUSTRY: 2 sisal processing plants, 2 rice mills, 2 cotton gins, one oil extraction factory, one slaughter house, one soft drink bottling plant.

TRANSPORTATION: Railway 316 miles, roads 5,499 miles, trails 5,033 miles: motor vehicles 6,340.

Special Import Interests

Insecticides, detergents, cleaning fluid, stain removers, paints, pharmaceutical products, whiskey, beer, fabrics including metallic novelties, children's cotton and nylon dresses, leisure and work clothes, footwear, housewares including plastic-ware, hardware, steel shelving, steel cabinets and lockers, venetian blinds, office equipment, direct copying machines, air conditioners, refrigerators, humidifiers, electric fans, mixers, radios, phonographs, cameras, food store equipment, milk cooling equipment, transformers, relays, voltage regulators, fluorescent lights, machine and hand tools, saws and sawmill equipment, automobile repair equipment, brake linings, water pumps and water sprayers, cottonseed processing equipment, trucks, tractors, and automotive spare parts, building materials, building equipment, brick and concrete block, tile and pipe-making machinery, vinyl and rubber balls.

General Characteristics

This agrarian largely arid country is a member of the Conseil de l'Entente, but geographically and economically vulnerable to being drawn into the Guinea-Mali-Ghana orbit. Its people, 90 percent of whom live by partial employment in subsistence farming and herding, have traditionally migrated to Ivory Coast and Ghana for employment as farm labor and have enlisted in large numbers in the French army. The country's main cash income is from French aid, veteran's pensions, military expenditures, and migratory wages. Its recordable exports have been very small (peanuts, meat and, more recently, a little cotton from the French irrigation project on the Volta River.)

Ouagadougou was selected for the capital because it is the recognized center of the majority Mossi tribe. The town acquired electric current and a reservoir system a few years ago and a good deal of governmental construction is now going on. Meanwhile, a more developed and modern city, Bobo-Dioulasso, remains the most dynamic economic center; it has a modern power plant, a small but highly efficient cotton-gin, a beverage plant, an oil crushing plant with soap production, and some artisans' shops. In Ouagadougou, the White Father missionary order operates a printing plant and embroidery workshop, both highly successful.

Development plans depend greatly on improved transport throughout the country (parts of which are now inaccessible during 2 to 3 months every year) and reduced cost of electric power. Suggestions for profitable industries include cement, bicycles, small plastic products, bottles, conserving meats, phosphate fertilizer. More thorough exploration may also reveal mineral deposits of commercial interest, such as iron ore, copper, and ilmenite, in addition to the calcium

deposits considered as the basis for cement production. The commercial attraction of any new industry depends, upon whether regional marketing will be politically feasible.

SENEGAL

MAIN CITIES: Dakar: 250,000.
 Saint Louis: 40,000.
 Kaolack: 50,000.
 Thies: 42,500.
 Rufisque: 58,000.

AREA: 76,000 square miles.

POPULATION: 2.6 million (estimated); including 47,000 Europeans).

CHILDREN IN SCHOOLS: 117,000 (including 1,300 University of Dakar students of whom about one-third are Senegalese).

PRINCIPAL SUBSISTENCE CROPS: Millet, cassava, potatoes, rice.

PRINCIPAL EXPORT CROP: Peanuts and peanut products (87 percent of exports).

FOREIGN TRADE 1959: Of Senegal, Mali, and Mauritania (separate data not available): export \$116 million, imports \$178 million; ocean freight handled; 3.9 million metric tons.

INDUSTRY: Oil extraction factories, breweries, flour mills, tuna canneries, one explosives factory, one match factory, one textile mill, one cement plant, one shoe factory, one plastic footwear factory, phosphate mining.

MINERALS: Phosphates.

TRANSPORTATION: Railway 1,041 miles, roads 5,375 miles, trails 1,864 miles.

Specific Import Interests

Fertilizers, plastic compounds, cleaning fluids, detergents, insecticides, paint pigments and oils, calcium carbide, sulphur for matches, rice, flour, canned meat, fruit and vegetables, candy, cheese, powered eggs, textiles including nylon sheers and sheer metallic novelties, used clothing, uniforms, children's clothes, pillow and mattress stuffing, cameras, camping supplies, air conditioners, refrigerators, radios, rubber products, peanut processing machinery, bakery equipment, carbonated beverages bottling equipment, trucks, tires, building materials.

General Characteristics

This country reflects in many ways a longer association with France. Until recently Dakar was the capital of most of French-speaking West Africa. It has highly advanced government services and a national political consciousness which reportedly exists even in the most remote regions.

The interior market is probably more diversified than that of the other countries visited because the people are more concerned with status symbols; for example, they take an active interest in the attractiveness of their wearing apparel. The market for varied luxury goods is, of course, more important because the largest agglomeration of middle- and high-income families in the region is in Dakar.

Senegal has depended greatly on exports of peanuts to the subsidized French market. The country has several fish canneries, substantial manufactures of cement, plastic footwear, vegetable oils and soap, beverages and flour, and has plans for an important petroleum refinery to supply the regional market.

A large proportion of the products of these small industries is exported to other West African French-speaking countries. However, local Senegalese industry suffered from the loss of the Guinea market in March, 1960, and of the Mali market in August, 1960, as a result of the split of the Mali Federation (see Mali).

The government has recently decided on a 4-year plan which encourages private investments in industries considered essential to the country's development, such as fertilizer, fish canning, assembly of trucks, and certain types of construction.

MAURITANIA

CAPITAL: Nouakchott.

AREA: 419,200 square miles.

POPULATION: Approximately 0.7 million.

CHILDREN IN SCHOOLS: 9,000.

PRINCIPAL SUBSISTENCE CROPS: Millet dates; livestock, 10 million (estimated); fishing, 10,000 tons.

MINERALS: Iron and copper.

FOREIGN TRADE 1959: (See Senegal).

TRANSPORTATION: Roads, 2,284.

Specific Import Interests

Pharmaceuticals, insecticides, cambric, percale, men's ready-to-wear, underwear, shirts, plastic and leather sandals, rice, oats, concentrated milk, macaroni, coarse ground barley, tomato paste, wheat, fruit juice, housewares (plastic and enamel), stoves, radios, ice boxes, sewing machines, corrugated aluminum sheets, trucks, agricultural tractors, automobiles, automotive spare parts, ballpoint pens, pencils, stationery.

General Characteristics

This vast area supports fewer than 700,000 persons, but some 1.3 million cattle, 0.5 million

COUNTRY DETAILS: Mauritania—Mali

camels, and 8 million sheep and goats. It has a fertile fringe along the southern (Senegalese) border and a few other spots of year-round water supply. In three of these, there are 800,000 date trees whose volume and quality of product could be developed for export trade. Some gum arabic is exported to France, and, at Port Etienne on the coast, 10,000 tons of fish are dried annually for sale along the southern African coast. In the major part of the country the people migrate seasonally with their herds and live on milk, meat, dates and millet (purchased from the southern area from proceeds of sales of animals).

Extensive and rich iron ore and copper deposits have been discovered and surveyed. Their exploitation will provide a base for economic development. The iron ore, located at Fort Gouraud, is being exploited by a large consortium of European capital. In conjunction with the development of the ore, roads, hospitals, a railroad, and schools and houses are being built. Exports of the ore are expected to begin in mid-1963. The copper deposits have not yet begun to be commercially exploited.

In addition, there are hopes of discovering petroleum. A stretch of sand called Nouakchott near the Senegalese border is being rapidly built up into a modernistic governmental center, and both officialdom and the Moslem business community display contagious eagerness and confidence in development of diversified import trade.

MALI

MAIN CITIES: Bamako: 120,000.
Kayes: 20,000.
Segou: 20,000.

AREA: 464,900 square miles.

POPULATION: 4.3 million (estimated).

CHILDREN IN SCHOOLS: 58,200.

PRINCIPAL SUBSISTENCE CROPS: Millet, sorghum, rice; livestock, 11 million.

PRINCIPAL EXPORT CROP: Peanuts.

FOREIGN TRADE 1959: (See Senegal).

INDUSTRY: 2 oil extraction and soap factories, 7 rice mills.

TRANSPORTATION: Railway, 388, miles. Roads and trails, 6,934 miles. Motor vehicles: 5,500.

Special Import Interests

Pharmaceutical products, concentrated food nutrients, products for prevention and treatment of animal diseases, vitamins, hospital and medical equipment, food supplements for animal and poultry feed, insecticides, paints, textiles, footwear, wheat, salt, flour, milk, soap, cigarettes, cement, slate roofing, tire retreading equipment, land clearing and excavating equipment.

General Characteristics

This large area fades from savannah lands growing millet, sorghum, cattle, and peanuts into poorly connected arid regions supporting only nomadic herders except along the banks of the Niger River. Rice and cotton are produced in a 125,000-acre irrigation project and important quantities of fish from the river are consumed and exported. Like the other inland areas, Mali is plagued with the difficulties of transport and high costs of fuel and imported goods.

Mali was until recently called the French Soudan. Its external economic relations were conducted through Senegal, with a railroad linking Bamako with the port of Dakar. The two territories were briefly joined in the French Community under the name "Federation of Mali," then separated, in August 1960, for political more than economic reasons, into the present states of Senegal and Mali. In the past year, economic development has been adapted to fit political considerations. The only railroad stands virtually unused, while the difficulties of import trade are greatly aggravated by road transport from the ports of Ivory Coast, Guinea and Ghana. This year's peanut crop was "sold" to the Soviet bloc, but it may not be possible to ship most of it. The economy is still heavily dependent on French aid, but the government's plans are strongly oriented away from such dependence.

The five-year plan for economic development contemplates a series of government operations presupposing substantial external aid, rationalized as necessary because of the absence of private capital formation. Plans include improvement in the production and quality of animal and fish products to provide both a better balanced diet for the population and increased exports; extension of the irrigation project to build up production of cotton and rice; damming of the Niger and Senegal rivers to provide low-cost electricity, year-round navigation and further irrigation; validation of a 700 million-ton bauxite deposit and development of small transforming industries to follow. Some of these projects would, no doubt, deserve investigation as outlets for foreign private investment, depending upon governmental acceptance of private operation.

Trade-wise, the tendency toward government operation has taken clearest form in the organization of a state trading agency (SOMIEX) which has a monopoly of peanut exports and of eleven essential imports: sugar, salt, flour, milk, tea, edible oils, jute bags, cement, soap, cigarettes and matches. Any net profits earned are to be loaned for new industries. In addition, this agency will have authority to make supplementary imports of any other products for which the Government finds demands are not being adequately satisfied by private imports.

REGIONAL PROBLEMS AND POTENTIALS

The eight countries covered in this report, together with Guinea, constituted until recently the area of the French Union known as French West Africa plus the United Nations Trust Territory of Togo. Their combined area is 1.75 million square miles, (over half that of the United States) but their combined population is probably about 20 million, of whom at least 90 percent are living on the land, with cash incomes that are very low by European standards.

These nations acquired independent sovereignty in 1960 and all except Mauritania were members of the United Nations by the Fall of 1960. Although their cultural and, in most cases, economic ties with France remain strong and their foreign trade is conducted within the mechanism of the Franc Zone, they all have an evident desire to develop wider trade relations with other Western countries, and in other ways to advance their positions as members of the community of free nations. All of these countries are receiving visitors from a number of other nations (including the Soviet Bloc) seeking to establish bilateral trade relations. Their officials are also in contact with the several international organizations which might consider aiding their economic development through financial grants, credits, and technical assistance, in addition to the continuing French aid programs.

ECONOMIC BASE

Because the percentage of rural population ranges from 85 percent in Senegal to over 95 percent in the less advanced countries of this group, it is generally expected by their officials and economists that the growth of their markets will depend upon raising the productivity and consumption of the agricultural population. It should be noted that, except for a few large plantations, agriculture is widely scattered among small farmers and herdsmen. In the coastal area of the "rain forest" the population is settled in permanent villages; however, a large part of their activity is for personal subsistence and is not recorded. An important part of their marketable production drifts across the borders of adjacent countries, such as Nigeria and Ghana, without benefit of customs or statistical recognition. In the interior countries (savannah and desert areas) the situation is even more obscure because large parts of the populations migrate seasonally with herds of cattle, camels, sheep and goats, which are their main material wealth and their main means of subsistence, and trade with

the outside world is lost statistically. Statistics of average cash availability per capita, which reflect market potentialities in more advanced areas, do not therefore indicate actual production or consumption. The masses of these rural inhabitants live for the most part on their own production and on barter. Their cash incomes are completely absorbed in their most elementary requirements for sustaining life and maintaining their agricultural activities at present levels by traditional methods.

Notwithstanding the limitations of soil and climate, there is general agreement that the productivity and cash income of the rural population can be greatly increased by education, by organized marketing, diversification of products, and intensified effort, as well as by means which require large investments, such as improvement of communications, irrigation, mechanization, fertilizing, disease and pest control, conservation of surpluses now going to waste, etc. The governments consulted are meeting this challenge with vigor and confidence. Their own technicians are supplemented, in most cases, by French experts and, in some, by advisers from international organizations, notably the EEC (European Economic Community) and UN agencies.

Growth is considerably hampered by a lack of capital. People whose essential needs quickly absorb any cash that might come into their hands do not develop the habit of saving. It may therefore be true that "in the bush," evidence is lacking of the drive to make the extra effort which produces the savings that create capital. Investment from abroad therefore assumes a vital rather than a supplemental role, if progress is to be made through the capitalist system.

Another growth problem of major proportions and broad implications is the complex of transport and power conditions. So long as power depends on imported fuels, industrialization will be sorely handicapped. The inland countries must, for a large part of their area, use automotive transport over dirt roads which are in some spots and seasons bogged down, and in the best of times are extremely damaging to equipment. Considering the frequently unskilled use of equipment and the staggering problems of maintenance, the costs of imported products in these areas and of their exports f.o.b. port are abnormally high, and must remain so until conditions are improved. As if this were not enough of a handicap, some of the transport is uneconomically routed to suit political relations

among the neighboring countries, and some duplication of investment in port facilities will no doubt arise to satisfy national ambitions of prestige and economic independence.

Needless to say, economic growth is further impeded by a nationalist tendency toward self-sufficiency, reaching its peak in Africa at the time already industrialized peoples are concluding that national economic interests can best be served by working together. Part of the meager capital available for construction is being diverted in several countries to imposing structures to house governmental bureaus and to permit each one, separately, to take its turn as host in the round of international conferences. Investments must be judged (with certain negotiated exceptions) on the capacity of an individual national market to absorb them, whereas they would often be more easily justified on the assumption of long-term access to the whole regional market. There are realistic forces exerting pressure in the direction of regional interdependence, particularly for the 4-country Council of the Entente (Republics of the Ivory Coast, the Upper Volta, the Niger, and Dahomey), but the eventual shape of regional economic relations remains to be decided.

Although the area is scarcely blessed by nature, it has been proved by French colonial developers that certain crops can be grown in quantity and quality to command a respected position in world markets. Meanwhile, important subsistence crops of grains, vegetables and fruits, some in excess of local consumption, are being cultivated without being offered to overseas markets. Attractive fruits are now going to waste because the quantity ripening all at once exceeds the capacity of the people to consume them on the spot, and fine cabinet-wood trees are "born to blush unseen" because they have not been aggressively introduced abroad. The rain forest regions and the borders of the rivers, will no doubt in due course be developed to produce a greater variety of marketable goods. The greatest wealth of the inhabitants of the interior arid lands is the livestock which supplies both milk and meat for local consumption, but is prevented from reaching overseas markets because the meat does not satisfy international control standards. These governments therefore regard as a top priority the validation of the agricultural resources which already exist. This includes the unmeasured resources of sea foods in the coastal waters.

Through the colonial period the French Government made basic geological surveys which revealed many indications of minerals. Important exploitations are now under way of phosphates in Togo and Senegal and iron ore in Mauritania. A major bauxite deposit has been proved in Mali. More intensive surveys may well expose commercially attractive possibilities in manganese, copper, ilmenite, titanium or other metallic minerals, not to mention the hope of petroleum encouraged by the spectacu-

lar discoveries of recent years in the Sahara. The economic planners of these Governments are therefore most urgently seeking assistance from any available source in determining more exactly what their potential mineral resources are.

The growth of these countries as markets could develop (a) from gradual raising of the purchasing power of the general population by improving productivity and marketing of their output and (b) from expansion outward from dynamic centers of industrialization. The cities of Dakar and Abidjan appear to be well on the way to becoming well-rounded metropolitan centers in both cultural and economic senses. Their immediate markets will progressively stimulate small-scale industrial enterprises, thereby attracting labor whose wages will swell the demands for rural products. A similar process, but on a much smaller scale, will take place in other cities of the region.

The entire Ivory Coast market for luxury and relatively non-essential commodities (now largely imported) is probably equal to that of an American town under 50,000 population. American exporters who think in terms of mass distribution would better focus their attention on the relatively restricted list of commodities which are actually in demand among the general, largely rural populations, which are destined to continue growing at a rapid rate.

CONDITIONS OF TRADE

These countries continue to be members of the Franc Zone, but the restrictive effects of the pooling of foreign exchange on their trade with outside countries, including the United States, are progressively diminishing as the Franc Zone's reserve of foreign exchange grows and free world trade policies become steadily more liberal. Of the eight countries covered, only the Ivory Coast is now earning more foreign exchange than it requires. Although greater dollar earnings obviously facilitate accessibility of any given member to foreign exchange, the amount of foreign exchange made available to each country is not directly related to its earnings. For most of these countries, agreements signed very recently with France have placed imports from outside the Franc Zone on a more competitive basis than heretofore by providing global quotas of foreign exchange, rather than specific quotas tied to currencies and commodity groups. There is no limitation in principle on what part of the global quota can be used for imports from the United States, but in Mali, for example, the local government may limit the free play of competition by its administration of the global quota.

All of these countries apply both customs duties and revenue taxes to their imports. Revenue taxes on imports are levied irrespective of overseas origin, being imposed uniformly on goods from France, from the Common Market, and from other

countries enjoying most-favored-nation treatment, including the United States. (There are special exemptions applicable in some cases to imports from neighboring countries).

Customs duties, however, are not applicable to imports from France. Since independence the exemption from customs tariffs of imports from France has been continued in consideration of the free access of West African exports to the French market, bolstered by price supports for certain agricultural commodities. The protocol of the European Economic Commodity Treaty which provided for the association of these areas with the Common Market when they were dependencies of France has been extended provisionally to the end of 1962 despite their independence. It is apparently expected in governmental and business circles contacted by this Mission that some similar form of association will be negotiated with the Common Market for future years. As contemplated in the protocol, the customs tariff of each of these countries is being modified in favor of the members of the E.E.C. (other than France) in the same proportions as the adjustments made between E.E.C. partners. Imports from the Common Market countries (including European production of U. S. brands) therefore enjoy advantages of lower duties than those applicable to imports from the U. S. and other non-E.E.C. sources, and might eventually be exempted from customs duties, depending upon the terms of association.

INTERNAL ECONOMIC STRUCTURE

The governments are well aware of the importance of a well balanced internal economic structure on which to build industrial development and a higher standard of living. Accordingly, they are giving high priority to basic projects, including:

PUBLIC WORKS--roads, bridges, railroad, ports (new ports to be constructed at Lome and Cotonou), fish piers and warehousing (especially Dakar and Abidjan), village wells, dams, and irrigation.

SOCIAL--education and public health.

RESEARCH--especially in agriculture and minerals.

These projects will require a diversity of construction and technical equipment and supplies.

SPECIAL CONSIDERATIONS AFFECTING THE MARKET FOR GOODS

Foreign Aid Programs

The substantial aid from France is being supplemented and partially replaced by aid from additional sources. The Common Market has already instituted a widespread aid program through FED

(Fonds Europeens de Developpement). This will total hundreds of millions of dollars during the coming five years, of which \$40 million have already been allocated as of early 1961. These substantial funds are all to broaden the national economic base and will probably be spent in Common Market countries.

France continues the former FIDES aid through FAC (Fonds d'Aide et de Cooperation). This aid, similarly, will be predominantly translated into French products.

The UN program is in its early stages. At present, emphasis is on health, research, and technical assistance.

The U. S. program (ICA) is just starting. Although details have not been announced, the program will probably emphasize public works projects. For example, the Mission was in Togo at the time of the delivery of a first shipment of aid material, thirteen pieces of American road-building equipment, which were received by the Togo government in a public ceremony. Equipment is also being delivered soon to Mali for internal security needs. As projects are agreed upon by the United States and the recipient governments, they will be publicized. This aid will probably be tied to U. S. procurement, but if it short-circuits private distribution channels, there is a risk of encouraging the proponents of State trading.

There are other aid activities. In Togo, for example, Germany is offering to build as a gift a new protected port, at a reputed cost of \$25 million, and Yugoslavia has offered to build in Togo, on long-term credit, a small dam and power-plant, whose economic value has not yet been substantiated. Israel has provided agricultural workers to several countries, and is training agriculturists from Africa in Israel.

The overall effect of the multiple-aid programs should be to create an immediate direct demand for equipment, etc., and an indirect long-range increase in demand in both total quantity and diversity of goods.

Government Participation

In these eight new nations, there are the conditions to be expected in underdeveloped countries: lack of local capital, shortage of trained local personnel, need for basic economic development, need to conserve capital resources, fear of overlooking essential areas of development, risk of overlapping investments. As a result, governmental entities become relatively important in economic development and in procurement. This will manifest itself in many ways!

DIRECT AID, government-to-government, in the form of payment of salaries of technical personnel, or of the gift of equipment.

GOVERNMENT PROCUREMENT for infrastructure projects, e.g., schools, hospitals, water and

PROBLEMS AND POTENTIALS: Agricultural Development

power supplies, ports, roads, and in Mali, government trading in primary export and import commodities.

GOVERNMENT FOSTERING of desired activities; e.g., transport (a State trucking operation in Mali), subsidized uses of agricultural equipment, construction of fish-processing facilities, etc. Obviously, it is desirable to maintain liaison with governments in order to be able to compete for such market possibilities.

AGRICULTURAL DEVELOPMENT

Resistance to Change

The economy of each West African nation visited is predominantly agricultural, divided between products for export and crops and livestock for local consumption. For the most part, farming methods, compared to American standards, are primitive and result in little more than subsistence for most of the rural people.

In many instances rural Africans live in small villages dominated by a chief who normally gains his position by inheritance. Family ties are unusually strong. The father, his sons, and grandsons with their wives and children, live together in one section or compound of the village and are largely subject to the will of the father or oldest male member of the family. This tradition of family and village life greatly retards the modernization of their farming methods because of the strong resistance to change of any kind.

The warm climate requires little in the way of housing and clothing for these people, who are gathered in sections of the country where native food products, including fish and game, are sufficient to maintain life. This diet has gradually been supplemented by grains and livestock as game animals were killed off, but it is still a very simple, low-energy ration. The masses of the people seem to have little urge to improve their diet or increase production of marketable products beyond their own basic requirements.

The hope of improving the level of living appears to rest with the young people. Education to increase the proportion of rural people who can read and write, the gradual wearing away of archaic traditions, and exposure to better food, clothing, and homes, should awaken an effective desire to modernize farming methods in order to increase production and earnings.

Numerous large development projects have been initiated by the French. Most of the African governments have plans for developing irrigation more generally in areas of insufficient rainfall and have made a small start with experimental and demonstration farms. It appears from our successful experience in America, that these programs should be greatly expanded to determine and develop the most successful kinds and varieties of crops and livestock to grow in each area of different soil and

climatic conditions, how best to grow these crops and livestock, and how to make effective use of fertilizers, chemicals, pesticides, and scientific feed mixtures. The program should include an effective method of getting information to the farmers by means of radio, meetings, demonstrations, and personal advice on individual problems.

Eventually hand methods of tillage now used by Africans will give way to mechanized equipment; this will provide a market in which American manufacturers could participate.

Cooperatives

The word "cooperative" means different things to different people. To the American farmer, it means joining with other farmers to obtain sufficient volume to employ specialists and facilities efficiently in processing and marketing his products, in procuring his farm production supplies, and in research to improve the volume and quality of his production.

To inexperienced Africans, it seems to be a magic word expected to provide all their needs--cultural, social, and economic. African government officials see cooperatives as a tool to increase production, eliminate unnecessary middlemen profits, and generally benefit the economy of the country. We have also been told that governments see political opportunity or menace in cooperatives, depending on who controls them, since over 90 percent of the voters are rural people.

At any rate, most governments are planning to organize farmer cooperatives under government control, with most of the officials professing the intention to turn control over to the farmers when the cooperative is in successful operation.

The Mission saw a number of farmer-controlled cooperatives in operation but most of these were under-financed, poorly managed, and ineffective. We found one with good volume, efficient management, and reporting beneficial results.

Most of the qualified technicians we talked with on this subject were pessimistic of having rapid success with farmer cooperatives in the near future because of (1) traditional devotion to past methods, (2) suspicion that someone is trying to exploit them, (3) communication difficulties caused by widespread illiteracy among rural people and the many different dialects spoken. While these are serious obstacles to organizing cooperatives, the traditions of family and village life have many of the basic elements of cooperation that might be used to advantage. The larger villages would seem to be logical local centers of a cooperative in which to assemble and make ready farm products for transfer to a central cooperative for grading, processing, and marketing by hired specialists. Some of the young chiefs with imagination and energy might be successful in selling the cooperative plan to others and in forming the control board of the centralized cooperative.

A documentary film built around an American farmer's family, his home, farm, field crops, livestock, poultry, and the operations of his cooperative in marketing his products and purchasing his farm production supplies was shown on several

occasions to groups of government officials, businessmen, farmers and others, totalling 3,000 viewers. It was received in each case with enthusiastic interest on the part of agricultural officials.

THE AREA'S EXPORTABLE PRODUCTS

THE OUTLOOK FOR EXPORTS

As the overwhelming majority of the population of the countries visited is engaged in agriculture, it represents the single most important area for future development. Although most is subsistence farming, the cash crops produced are the basis of the economy of each country. In almost every instance the cash income from agriculture is derived from one or two products. This familiar problem in Africa is recognized by each of the governments. They plan to diversify farming, developing other cash crops and producing more vegetables and cereals for domestic consumption. Importing such staples as sugar and rice is to be reduced, livestock breeding is to be improved for better beef and mutton, production of fruits such as grapefruit, oranges, and mangoes is to be expanded under plans that call for development of irrigation and extended use of fertilizers. In a sense, the economic futures of each of the countries visited (with the exception of Mauritania) depend chiefly upon the success of the agricultural program.

This diversification may reduce the emphasis which has been placed on the historical cash crops of the area: peanuts, coffee, cocoa, and palm oil. The producers of these commodities (Senegal, Niger, Ivory Coast, Togo, and Dahomey) are confronted with the problem of surpluses and falling world prices.

The government leaders are well aware of the enormous task involved to educate and direct the farmers toward the development of new products and the adoption of new procedures. They are also extremely interested in the United States as a market even though France is their best customer and has for years paid support prices for their produce. This dilemma underlies the fundamental problem of the countries visited, all (except Togo) former members of *Afrique Occidentale Française*: how to promote their commerce in other parts of the world and still preserve the security of an assured market in France. It was often stated by government officials that the role of the United States is very important to their future, not necessarily as a donor of aid, but as a trading partner. The countries which are entrusting their futures to the free enterprise system must prove that this is the most effective road to rapid economic development, in contrast to the state-controlled economies of their immediate neighbors.

The difficulty in this intention is that certain of the principal products of the countries are also produced in volume in the United States. There is

little expectation that any African country will find a market in America for cotton, peanuts, or tobacco.

The Trade Mission could have expected an air of optimism in the countries which produce the large volumes of tropical commodities. Senegal had just achieved a near-record peanut crop. All of the Ivory Coast cocoa crop had just been sold at a reasonably good price, in consideration of the world market, and all of its coffee allocation under the International Coffee Agreement had been sold at a price considered by many to be good in view of the world market. Quality of produce from these countries had never been higher. During the previous two years unprecedented improvements were made in Ivory Coast coffee and cocoa to the extent that today these commodities find ready acceptance in all of the world markets and are preferred in many. Exports of hardwoods to the United States in 1960 met records both in volume and revenue. In spite of all of this, however, there was a general lack of optimism for the future among the merchants who deal in these principal commodities.

COFFEE

Coffee—the Caisse de Stabilization which controls the sale of coffee in the Ivory Coast closed all sales of the current crop on April 21, 1961, when the quota agreed to under the International Coffee Agreement was reached. This quota was based on a 1960-1961 production estimated by the U. S. Department of Agriculture at 155,000 tons. Actual production for the year will reach 180,000 tons, an all-time record. By stopping sale the Caisse will have in storage 80,000 tons of green coffee, an amount equal to more than 50 percent of the total exports of 1960. This is the first serious coffee surplus that the country has experienced, and is cause for some concern. The merchants of Abidjan have also indicated that for the first time a large volume of coffee had been sold to one buyer in the United States on a fixed contract basis. The Caisse de Stabilization reported however that this sale represented less than 50 percent of the volume sold in the American market.

COCOA

Although official figures for the Ivory Coast 1960-1961 cocoa crop were not available at this writing, production is known to have exceeded the previous year's level of 63,000 tons. This, in addition to increased production in Ghana and Nigeria, has cre-

ated the first serious world cocoa surplus. With falling world prices, producing countries are now discussing quota control systems and price stabilization plans. The merchants of the Ivory Coast expressed concern that exports to the United States may be endangered by stricter quality standards currently being proposed by the U. S. Food and Drug Administration.

TIMBER

Although exports of hardwoods from the Ivory Coast to the United States reached a record high in 1960, timber exporters are pessimistic about the future. The American market has historically demanded mahogany, which has become increasingly inaccessible and uneconomic to harvest. As the Ivory Coast produces several other fine hardwoods, the merchants are anxious that American buyers develop an interest in SIPO and MAKORE which they claim are similar to redwood. The Mission recommended that all persons interested in the sale of hardwoods combine their efforts to concentrate on a marketing and advertising program in the American furniture market. A good American sales agency could gain wide acceptance of some of

the lesser known hardwoods by use of displays at furniture shows, trade fairs, etc.

FISH

A promising developing export commodity for the U. S. market appears to be tuna fish. Senegal, Ivory Coast, and Togo have plans for developing the industry, expanding the fleet of tuna clippers, building fish piers in Abidjan and Dakar, and building a cannery in Dakar. There are now seven canneries operating in Dakar which expect to process approximately 2,000 tons of fresh tuna in 1961 for shipment to the United States. The government of Senegal has proposed an extensive project for the tuna industry. Assisted by a loan from the Common Market Development Fund, work will begin in June 1961 on the construction of a new fish wharf in Dakar to be completed by the end of 1962. It is intended to construct a freezing plant and a cannery on the wharf, and the government is interested in attracting American investors to study the project. The quantity of tuna available is said to be very good. At present 80 large Japanese tuna boats, and approximately 100 Spanish boats are operating from Dakar.

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OTHER TRADE MISSION REPORTS

Final reports are also available on Trade Missions that visited the following areas in 1961:

<i>Number</i>	<i>Country or Area Visited</i>
88	Ceylon-Malaya-Singapore
89	Republic of Colombia
90	Australia
91	Southern Caribbean Area
92	Japan
94	Germany
95	Finland

COMMERCE PUBLICATIONS ON WEST AFRICA

Department of Commerce publications relating to the 8 Republics of West Africa visited by Trade Mission Number 93:

Basic Data on the Economy of the West African States of the French Community; World Trade Information Service (WTIS) Part 1, No. 60-12, 10¢.

Basic Data on the Economy of the Republic of Togo, WTIS Part 1, No. 61-25, 10¢.

Licensing and Exchange Controls, French West Africa, WTIS Part 2, No. 58-49, 10¢.

For further information write Trade Missions Division, Bureau of Foreign Commerce, U. S. Department of Commerce, Washington 25, D. C.

On behalf of American Business, the Mission —

VISITED THESE CITIES

<i>Cities</i>	<i>Republic of</i>	<i>Dates</i>
Abidjan and Bouake	Ivory Coast	April 22-May 6
Cotonou and Porto-Novo	Dahomey	May 7-10
Lome and Anecho	Togo	May 11-16
Niamey	Niger	May 17-21
Ouagadougou and Bobo-Dioulasso	Upper Volta	May 22-27
Dakar	Senegal	May 28-June 1 June 3-6
Nouakchott	Mauritania	June 2
Bamako	Mali	June 7-10

SUBMITTED BUSINESS PROPOSALS

	<i>Number</i>
Number of proposals presented by Mission	133
Number of proposals of interest to West African firms	66
Number of West African firms interested in business proposals	103

DEVELOPED TRADE AND INVESTMENT OPPORTUNITIES..... 73

HELD GENERAL MEETINGS, PANEL DISCUSSIONS, INDIVIDUAL INTERVIEWS, OFFICIAL CALLS, FILM SHOWINGS

	<i>Number</i>	<i>Persons Attending</i>
General meetings	13	462
Panel discussions.....	30	215
Individual interviews.....	137	137
Official business calls and plant visits	64	153
*Film showings	8	3,315

*Documentary color film "Two Way Street," on operations of a farmer's cooperative in the United States.

METHOD OF OPERATION

Aided by advance planning by the Trade Missions Division of the Bureau of Foreign Commerce and our Embassies in the respective nations, the Mission:

CONSULTED with the Government officials responsible for economic and commercial analysis and planning of each country,

MET with Chambers of Commerce and other trade organizations for general discussions on trade possibilities between the respective countries and the United States,

CONDUCTED interviews with individual businessmen interested in trade with the United States (including discussion with them of 133 specific business proposals offered by American companies), and

PARTICIPATED in certain public-relations activities designed to attract public attention to the U. S. market (including showings of a film depicting U. S. activities in a farm cooperative).



MISSION OBJECTIVES

"We exchange ideas when we exchange fabrics."

Since trade between these West African countries and the United States is at a very early stage of development, the U. S. Government considers this an appropriate time to lay a foundation of mutual understanding on which U. S. and West African private trading interests can build in the future to the benefit of the economies concerned. The Mission therefore sought to impress upon these countries the desire of the American people to participate in their efforts to raise their standards of living by encouraging the two-way competitive private trade that has contributed so greatly to the progress of many Western economies.

The Mission offered (1) information on the United States as a source of supply and as a market, (2) consultations with businessmen experienced in vital sectors of our economy, (3) direct assistance (by business members and by reference to commercial libraries) in selecting American products for import and in contacting American companies directly.

It also attempted to get information on anticipated economic growth and trade potentialities of these African nations for use by the American business community.

--Trade Mission 93

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